INDIANAPOLIS DEPARTMENT OF WATERWORKS BOARD OF DIRECTORS

RESOLUTION NO. 7, 2005

APPROVAL OF CAPITAL PROJECTS

WHEREAS, the Department of Waterworks (the "Department") has entered into that certain Management Agreement dated as of March 21, 2002 (the "Management Agreement"), with Veolia Water Indianapolis, LLC ("VWI") for the operation of the waterworks assets;

WHEREAS, the Department has certain duties and obligations under the Management Agreement;

WHEREAS, under the terms of the Management Agreement, VWI may be authorized from time to time by the Department, in exchange for payment by the Department of a certain valuable consideration, to undertake certain Capital Projects (as defined in the Management Agreement) as the Department may deem advisable;

WHEREAS, the Board of Directors (the "Board") of the Department desires to authorize the Director of Contracts and Operations in consultation with the Office of Corporation Counsel and the Controller's Office to enter into those certain Capital Projects pursuant to the terms and conditions of those certain Capital Project Authorization documents set forth as Exhibit A through Exhibit A attached hereto and made a part hereof (the "Authorization Documents"); and

WHEREAS, VWI, the Director of Contracts and Operations of the Department and the Office of Corporation Counsel have determined that such Capital Projects set forth in the Authorization Documents are desirable, appropriate and advisable;

NOW, THEREFORE, BE IT RESOLVED by the Board that it hereby approves of the Department's entry into the Authorization Documents;

BE IT FURTHER RESOLVED by the Board that the Director of Contracts and Operations of the Department in consultation with the Office of Corporation Counsel and the Controller's Office is hereby authorized and directed to: (i) prepare, execute and deliver the Authorization Documents and every other document, certificate, instrument, agreement or affidavit as may be necessary, convenient or proper to effectuate the intent and purposes of the Authorization Documents, as appropriate; (ii) prepare, execute and deliver each and every document, certificate, instrument, agreement or affidavit as may be necessary, convenient or proper to effectuate the intent and purposes of these resolutions, as appropriate; and (iii) to take any and all such additional action as may be necessary, convenient or proper to effectuate the intent and purposes of these resolutions, as appropriate; and

BE IT FURTHER RESOLVED by the Board that it ratifies any and all actions of the Director of Contracts and Operations, the Controller's Office and the Office of Corporation Counsel previously undertaken as may have been necessary, convenient or proper to effectuate the intent and purposes of these resolutions.

CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS, BOARD OF DIRECTORS

Jack Bayt

Carmen Hansen-Rivera

Samuel L. Odle

Beulah Coughenour

Barbara Howard

Dan DeMars

Attest:

S. Michael Hudson, Secretary-Treasurer

Resolution 7-2005

Project Number	Project Name	Amount	Funding Source	
2005-027	White River North Wells and Well Collecting Lines	1,048,600.00	Bond	
2005-048	Geist Groundwater Plant Expansion	3,891,967.00	Bond	
2005-99K	Cooper Road Reinforcement Main	55,510.00	Bond	
2005-099U	CR 300S-Michigan RD to CR 875E	1,019,651.00	Bond	
2005-099Y	Moore Road	144,392.00	Bond	
2005-099DD	SR 38 @ Harbour Water	24,603.00	Bond	
	Total Projects Funded By Bond Proceeds	6,184,723.00		
2005-100	Canal Cleaning-Aqueduct to Intake Phase II	459,400.00	Cash	
2005-102	Well Monitoring Program	55,000.00	Cash	
2005-103	Preliminary Design of WRPP Intake on White River	210,000.00	Cash	
2005-117E	WR Intake-Traveling Screen Automatic Wash System	24,000.00	Cash	
2005-165A	Redundant Communications	31,100.00	Cash	
2005-165B	Infrastructure Upgrade	86,300.00	Cash	
2005-165C	Option 11C Phone Switch	62,100.00	Cash	
2005-200	Darlington Elevated Tank Refurbishments	51,000.00	Cash	
2005-201	Harbour Elevated Tank Refurbishment	39,500.00	Cash	
	Total New Projects Funded From Cash Flow	1,018,400.00		

Project Number	Project Name	Current Amount	Change Order Request	Amended Amount
2005-170	Building, Pump Station and Treatment Plant Refurbishments	360,000.00	265,000.00	625,000.00
	Total Cash Flow funding	1,283,400.00		

CAPITAL PROJECT TITLE: Harbour Elevated Tank Refurbishment CAPITAL PROJECT NUMBER: 2005-201 TYPE OF PROJECT: Safety DOW Funded Capital Project Bond Funded Capital Project Bond Funded Capital Project ESTIMATED START DATE: March 1, 2005 ESTIMATED COMPLETION DATE: September 30, 2005 CAPITAL PROJECT PRICE: \$39,500 ATTACHMENTS: (A) Description of Work; (B) _______;

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

[]	Unit Prices:
	Time and Materials:
[]	Lump Sum:
[]	Combination/Other:
Ехр	lanatory Note (if reg.):

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. Termination. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY:	PRINTED NAME: CHUCK VOLTZ TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-201 PROJECT TYPE: Safety

CAPITAL PROJECT TITLE: Harbour Elevated Tank Refurbishments

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: March 1, 2005

Complete: September 30, 2005

WATER DISTRICT:

Harbour

DESCRIPTION OF WORK:

Replace exterior ladders and balcony safety rail members.

SCOPE OF WORK:

The exterior ladders should be replaced with ladders which meet current safety requirements. In addition, the existing balcony hand-rail, uprights, and mid-rail should be replaced with members which meet current dimensional requirements and the toe bar should be raised to 4 inches above the floor.

PROJECT COST:

\$39,500

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

CAPITAL PROJECT TITLE: Darlington Elevated Tank Refurbishments CAPITAL PROJECT NUMBER: 2005-200 TYPE OF PROJECT: Safety DOW Funded Capital Project Bond Funded Capital Project Bond Funded Capital Project ESTIMATED START DATE: March 1, 2005 ESTIMATED COMPLETION DATE: September 30, 2005 CAPITAL PROJECT PRICE: \$51,000 ATTACHMENTS: (A) Description of Work; (B) ________; (C) ________;

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

Unit Prices:	
X] Time and Materials:	
[] Lump Sum:	
Ombination/Other:	
Explanatory Note (if reg.):	

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. Termination. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- 5. Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
By:	
PRINTED NAME: TITLE: EFFECTIVE DATE:	TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller Date	Andrew I. Klineman, General Counsel Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-200 PROJECT TYPE: Safety

CAPITAL PROJECT TITLE: Darlington Elevated Tank Refurbishments

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: March 1, 2005

Complete: September 30, 2005

WATER DISTRICT:

Darlington

DESCRIPTION OF WORK:

Replace exterior ladders, safety railing, balcony railing opening and reroute electrical.

SCOPE OF WORK:

The exterior ladders should be replaced with ladders which meet current safety requirements. In addition, the revolving shell and roof ladder should be modified to a stationary ladder, and the electrical conduit and cables should be relocated away from the side rails. Safe access from the tower ladder should be provided through the balcony railing.

PROJECT COST:

\$51,000

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

CAPITAL PROJECT TITLE: White River North Wells and Well Collection Lines CAPITAL PROJECT NUMBER: 2005-027 TYPE OF PROJECT: Growth DOW Funded Capital Project Bond Funded Capital Project ESTIMATED START DATE: February 1, 2005 ESTIMATED COMPLETION DATE: March 31, 2006 CAPITAL PROJECT PRICE: \$1,048,600.00 ATTACHMENTS: (A) Description of Work; (B) Capital Project Requisition______; (C) THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS and VEOLIA WATER INDIANAPOLIS, LLC (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

]	Unit Prices:
	Time and Materials: \$1,048,600.00
]	Lump Sum:
]	Combination/Other:
	planatory Note (if reg.):

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same

responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. <u>Termination</u>. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it.
 - Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.
- 7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY:	PRINTED NAME: CHUCK VOLTZ TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding :	As to Legal Form :
CONTROLLER FOR THE CITY OF INDIANAPOLIS	OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel
Date	Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-027 PROJECT TYPE: Growth

CAPITAL PROJECT TITLE: White River North Wells and Well Collection Lines

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: February 1, 2005 Complete: March 31, 2006

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Install and equip six (6) new water supply production wells and install approximately 5,800 – feet of well collection line to provide additional supply to the White River North Purification Plant.

SCOPE OF WORK:

Drill and install two 24-inch, two 20-inch and two 18-inch production wells and necessary pumping, electrical and control equipment for additional supply to the WRN Purification Plant. In addition, install 5,200-feet of 12-inch and 600-feet of 16-inch well collection line to route new supply to WRN.

PROJECT COST:

\$1,048,600.00

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

Capital Project Authorization Number: 2005-165C

CAPITAL PROJECT TITLE: Option 11C Phone Switch				
CAPITAL PROJECT NUMBER: 2005-165C	TYPE OF PROJECT: Technology	DOW Funded Capital Project Bond Funded Capital Project		
ESTIMATED START DATE: March 1, 2005	ESTIMATED COMPLETION DATE: August 31,2005			
CAPITAL PROJECT PRICE: T&M NTE \$62,100				
ATTACHMENTS: (A) Description of Work; (B) (C)		; ;		

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

Dnit Prices:		
[X] Time and Materials:		
Combination/Other:_		
Explanatory Note (if reg.):		

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. Termination. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY: PRINTED NAME: TITLE: EFFECTIVE DATE:	PRINTED NAME: CHUCK VOLTZ TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-165C PROJECT TYPE: Technology

CAPITAL PROJECT TITLE: Option 11C Phone Switch

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: March 1, 2005 Complete: August 31, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Utilize the Nortel option 11C phone switch as a redundant voice switch placed at the White River Purification Plant (WRPP)

SCOPE OF WORK:

Replace the WRPP phone switch with the option 11C phone switch. Tie the option 11C phone switch into option 61C phone switch. Move WRPP phone switch to Riverside Station to replace the existing Merlin phone system.

PROJECT COST:

T&M NTE \$62,100

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

Capital Project Authorization Number: 2005-165B

CAPITAL PROJECT TITLE: Infrastructure Upgrade				
CAPITAL PROJECT NUMBER: 2005-165B	TYPE OF PROJECT: Technology	DOW Funded Capital Project Bond Funded Capital Project		
ESTIMATED START DATE: March 1, 2005	ESTIMATED COMPLETION DATE: August 31, 2005			
CAPITAL PROJECT PRICE: T&M NTE \$86,300				
ATTACHMENTS: (A) Description of Work; (B) (C)		;		

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

[]	Unit Prices:
[X]	Time and Materials: T&M NTE \$86,300
[]	Lump Sum:
[]	Combination/Other:
	lanatory Note (if req.):

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. Termination. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY:	PRINTED NAME: CHUCK VOLTZ TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-165B PROJECT TYPE: Technology

CAPITAL PROJECT TITLE: Infrastructure Upgrade

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: March 01, 2005 Complete: August 31, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Upgrade existing network and servers.

SCOPE OF WORK:

Replace the core Accelar 1100 routing switch with a Nortel Networks Passport 8300. Run all servers within a Gigabit backbone. Upgrade 7 remaining Nortel Networks 10 Meg hubs with Nortel Networks 470

PROJECT COST:

T&M NTE \$86,300

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

Capital Project Authorization Number: 2005-165A

CAPITAL PROJECT TITLE: Redundant Communications		
CAPITAL PROJECT NUMBER: 2005-165A	TYPE OF PROJECT: Technology	DOW Funded Capital Project Bond Funded Capital Project
ESTIMATED START DATE: March 1, 2005	ESTIMATED COMPLETION DATE: Aug	gust 31, 2005
CAPITAL PROJECT PRICE: T&M NTE \$31,100		
ATTACHMENTS: (A) Description of Work; (B) (C)		.;

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

[]	Unit Prices:
	Time and Materials: T&M NTE \$31,100
[]	Lump Sum:
[]	Combination/Other:
∃xp	lanatory Note (if reg.):

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

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Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. Termination. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY:	PRINTED NAME: CHUCK VOLTZ TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-165A PROJECT TYPE: Technology

CAPITAL PROJECT TITLE: Redundant Communications

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: March 1, 2005 Complete: August, 31 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Establish redundant SONET communications link between the VWI general office, White River Purification Plant, MECCA, and SBC's Central Office

SCOPE OF WORK:

Purchase and installation of three 19" Edgelink 100 EZ Mount units and associated cables.

PROJECT COST:

T&M NTE \$31,100

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

Capital Project Authorization Number: 2005-117e

CAPITAL PROJECT TITLE: WR Intake – Traveling Screen Automatic Wash System		
CAPITAL PROJECT NUMBER: 2005-117e	TYPE OF PROJECT: Infrastructure	DOW Funded Capital Project Bond Funded Capital Project
ESTIMATED START DATE: March 1, 2005	ESTIMATED COMPLETION DATE: Apr	ril 30, 2005
CAPITAL PROJECT PRICE: \$24,000		
ATTACHMENTS: (A) Description of Work; (B); (C);		

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
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- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

	Unit Prices:
	Time and Materials: T&M NTE \$24,000
[]	Lump Sum:
]	Combination/Other:
- =xn	planatory Note (if reg.):

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

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Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. Termination. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY:	PRINTED NAME: CHUCK VOLTZ TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-117e PROJECT TYPE: Infrastructure

CAPITAL PROJECT TITLE: WR Intake – Traveling Screen Automatic Wash System

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: March 1, 2005 Complete: April 30, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK: Demo and replace wash water piping and valves on two traveling screens including internal spray header and piping.

SCOPE OF WORK: Demo and replace the following estimated quantities: (2.5" components) 35 LF Pipe, 9 elbows, 4 tees, 2 gate valves, 2 solenoid valves, and two (2) internal headers (8' long) with spray nozzles.

PROJECT COST:

T&M NTE \$24,000

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

CAPITAL PROJECT TITLE: Preliminary Design of WRPP Intake on White River CAPITAL PROJECT NUMBER: 2005-103 TYPE OF PROJECT: Infrastructure ESTIMATED START DATE: March 1, 2005 CAPITAL PROJECT PRICE: T&M NTE \$210,000 ATTACHMENTS: (A) Description of Work; (B) _______; (C) ________;

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

[] Unit Prices:	
[X] Time and Materials:	⁻ &M NTE \$210,000
[] Lump Sum:	
[] Combination/Other:	
Explanatory Note (if reg.):	

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

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- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

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The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY:	PRINTED NAME: CHUCK VOLTZ TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-103 PROJECT TYPE: Infrastructure

CAPITAL PROJECT TITLE:

Preliminary Design of WRPP Intake on White River

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: March 1, 2005

Complete: September 30, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Preliminary design of new intake structure on the White River supplying water to the White River Treatment Plant.

SCOPE OF WORK:

To further develop and analyze options for a new intake structure located along the White River and to develop a comprehensive understanding of the constraints of the project including, but not limited to: Right-of-way, utility coordination, public opinion, seasonal pool depths, operational modes required, permits..... Several alternatives will be developed with cost estimates and alternatives will be discussed with local regulatory and non-regulatory organizations. The outcome of the project will be a preferred alternative with preliminary design information.

PROJECT COST:

T&M NTE \$210.000

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

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WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

[]	Jnit Prices:
	Time and Materials: T&M NTE \$55,000
[]	_ump Sum:
[]	Combination/Other:
Ехр	anatory Note (if reg.):

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- 4. Termination. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
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- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

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The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY: PRINTED NAME: TITLE: EFFECTIVE DATE:	PRINTED NAME: CHUCK VOLTZ TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-102 PROJECT TYPE: Regulatory

CAPITAL PROJECT TITLE: Well Monitoring Program

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: March 1, 2005 Complete: June 30, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Preparation of Well Monitoring Program as required by the Indianapolis Water Wellhead Protection Plan

SCOPE OF WORK:

Contaminant Source Inventory, boring logs and construction information for existing wells, historical well field water level data, and historical quality data. The Potential Contaminant Source Inventory will be updated using the collected data from pertinent federal and state environmental databases and records. Windshields surveys will be performed as necessary. The Monitoring Program will be developed including maps depicting current well locations, future monitoring well locations, construction plans, cost estimates, and permit requirements. As part of the program a comprehensive sampling plan will also be developed. The Well Monitoring Program will be submitted to IDEM for review and endorsement.

PROJECT COST:

T&M NTE \$55.000

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

Capital Project Authorization Number: 2005-100

CAPITAL PROJECT TITLE: Canal Cleaning – Aqueduct to Intake Phase II		
CAPITAL PROJECT NUMBER: 2005-100	TYPE OF PROJECT: Infrastructure	DOW Funded Capital Project Bond Funded Capital Project
ESTIMATED START DATE: February 21, 2005	ESTIMATED COMPLETION DATE: Apr	ril 30, 2005
CAPITAL PROJECT PRICE: T&M NTE \$459,400		
ATTACHMENTS: (A) Description of Work; (B) (C)		;

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
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- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

] Unit Pric	
	laterials: T&M NTE \$459,400
Combina	n/Other:
Explanatory	e (if rea.):

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

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Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY: PRINTED NAME: TITLE: EFFECTIVE DATE:	PRINTED NAME: CHUCK VOLTZ TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-100 PROJECT TYPE: Infrastructure

CAPITAL PROJECT TITLE:

Canal Cleaning - Aqueduct to Intake Phase II

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: February 21, 2005 Complete: April 30, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Cleaning and removal of accumulated silt and sediment in the canal between the aqueduct over Fall Creek to the Intake structure of White River Treatment plant in an effort to restore the canal to it's previous cross sectional area and better the current flow conditions.

SCOPE OF WORK:

This portion of the overall project includes maintenance and operation costs (electric consumption) associated with pumping the required quantities of water around the 'limits of construction' to the White River Treatment plant. Also included in this portion of the work is the work associated with restoring the canal to it's previous designed cross sectional area which includes the costs of heavy equipment required to move and haul the accumulated silt and sediment. Included are costs for silt fencing, pump controls, and dewatering pumps. Also included in this portion are the cost for restoration upon completion of the project and the demobilization costs.

PROJECT COST:

T&M NTE \$459.400

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- 2. <u>Method and Amount of Compensation.</u> In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

[X]	Unit Prices:	\$142,392.00	
[]	Time and Materials:		
[]	Lump Sum:		
[]	Combination/Other:		
Fxn	lanatory Note (if reg.)		

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any

incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. <u>Termination</u>. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it.
 - Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.
- 7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY:PRINTED NAME:	
TITLE:EFFECTIVE DATE:	
As to Funding:	As to Legal Form:
CONTROLLER FOR THE CITY OF INDIANAPOLIS	OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-099Y PROJECT TYPE: Infrastructure

CAPITAL PROJECT TITLE: Moore Rd.

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: February 1, 2005 Complete: May 1, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Design and install 2100 feet of 12-inch water main to close the loop to improve the flow characteristics in this area.

SCOPE OF WORK:

To install approximately 2100 feet of 12 inch water main and appurtenances from an existing main in 86th St north to the existing main in Moore Rd.

PROJECT COST:

\$144,392.00 - Unit Price

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

Capital Project Authorization Number: 2005-099U

CAPITAL PROJECT TITLE: CR300 S - MICHIGAN RD TO CR 875E		
CAPITAL PROJECT NUMBER: 2005-099U	TYPE OF PROJECT: Infrastructure	DOW Funded Capital Project Bond Funded Capital Project
ESTIMATED START DATE: February 1, 2005 ESTIMATED COMPLETION DATE: May 1, 2005		1, 2005
CAPITAL PROJECT PRICE: \$1,019.651		
ATTACHMENTS: (A) Description of Work; (B); (C);		;

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

[X]	Unit Prices:	\$1,019,651.00	
[]	Time and Materials:		
[]	Lump Sum:		
[]	Combination/Other:		
Fxn	lanatory Note (if reg.):		

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any

incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. <u>Termination</u>. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it.
 - Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.
- 7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: Veolia Water Indianapolis, LLC
BY:PRINTED NAME:	
TITLE:	
EFFECTIVE DATE:	
As to Funding:	As to Legal Form :
CONTROLLER FOR THE CITY OF INDIANAPOLIS	OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel
Data	Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-099U PROJECT TYPE: Infrastructure

CAPITAL PROJECT TITLE: CR300 S - MICHIGAN RD TO CR 875 E

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: February 1, 2005 Complete: May 1, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Design and install 6,726 feet of 16-inch water main to improve the flow characteristics in this area.

SCOPE OF WORK:

To install approximately 6,726 feet of 16 inch water main and appurtenances from an existing main in US 421 east to CR 875E

PROJECT COST:

\$1,019,651.00 - Unit Price

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

CAPITAL PROJECT NUMBER: 2005-099K CAPITAL PROJECT NUMBER: 2005-099K TYPE OF PROJECT: Growth DOW Funded Capital Project Bond Funded Capital Project ESTIMATED START DATE: February 1, 2005 CAPITAL PROJECT PRICE: \$55,510.00 ATTACHMENTS: (A) Description of Work; (B) ________; (C) _______;

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

Unit Prices:	
[X] Time and Materials: \$55,510.00 (VWI Costs only)	
[] Lump Sum:	
Ombination/Other:	
Explanatory Note (if req.):	

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. Termination. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- 5. Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by if

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department :	The Company:	
CONSOLIDATED CITY OF INDIANAPOLIS,	VEOLIA WATER INDIANAPOLIS, LLC	
DEPARTMENT OF WATERWORKS		
_	_	
BY:	By:	
PRINTED NAME:	PRINTED NAME: CHUCK VOLTZ	
TITLE:	TITLE: VICE PRESIDENT CENTRAL REGION	
EFFECTIVE DATE:	DATE SIGNED:	
As to Funding:	As to Legal Form :	
CONTROLLER FOR THE CITY OF INDIANAPOLIS	OFFICE OF CORPORATION COUNSEL	
Debort I Clifford Controller	Andrew I Winesen Consel Coursel	
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel	
Date	Date	

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-099K PROJECT TYPE: Growth

CAPITAL PROJECT TITLE: Cooper Road Reinforcement Main

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: February 1, 2005 Complete: March 1, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Design and easement acquisition

SCOPE OF WORK:

Design and easement acquisition for Cooper Road

PROJECT COST:

\$55,510.00-Time and Materials

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

Capital Project Authorization Number: 2005-099DD

CAPITAL PROJECT TITLE: SR 38 @ Harbour Water		
CAPITAL PROJECT NUMBER: 2005-099DD	TYPE OF PROJECT: Infrastructure	DOW Funded Capital Project Bond Funded Capital Project
ESTIMATED START DATE: February 1, 2005	ESTIMATED COMPLETION DATE: May 1, 2005	
CAPITAL PROJECT PRICE: \$24,603.00		
ATTACHMENTS: (A) Description of Work; (B) (C)		;

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- 2. <u>Method and Amount of Compensation.</u> In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

[X]	Unit Prices:	\$24,603.00
[]	Time and Materials:	
[]	Lump Sum:	
[]	Combination/Other:	
	lanatory Note (if reg.):	

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. Termination. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY:	PRINTED NAME: CHUCK VOLTZ
EFFECTIVE DATE:	
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel
Date	Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-099DD PROJECT TYPE: Infrastructure

CAPITAL PROJECT TITLE: SR 38 @ Harbour Water

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: February 1, 2005 Complete: May 1, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Design and install 630 feet of 12" PVC water main from creek at SR 38 to future cul-de-sac.

SCOPE OF WORK:

1. Install 12" main along SR 38 connecting to future cul-de-sac

PROJECT COST:

\$24,603.00

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

CAPITAL PROJECT TITLE: Geist Groundwater Plant Expansion CAPITAL PROJECT NUMBER: 2005-048 TYPE OF PROJECT: Growth DOW Funded Capital Project Bond Funded Capital Project ESTIMATED START DATE: February 1, 2005 CAPITAL PROJECT PRICE: \$3,891,967.00 ATTACHMENTS: (A) Description of Work; (B) Requisition ; (C)

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

[]	Unit Prices:			
[X]	Time and Materials:	\$3,891,967.00		
[]	Lump Sum:			
[]	Combination/Other:			
Ехр	lanatory Note (if reg.):			

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

Company accepts exclusive liability for payment of federal and state payroll taxes and for contributions for unemployment insurance, old age pensions, annuities, retirement, and other benefits, imposed under any provision of any law, and measured by remuneration paid or payable by Company to employees of Company engaged in the Project or in any incidental operation. Company will require that each subcontractor who performs any part of the Project accept the same responsibility and liability with respect to employees of that subcontractor.

Contemporaneously with the Department's final payment to Company, Company shall provide the Department with a signed Waiver of Liens from itself and from each and every service provider, vendor, or subcontractor that has provided labor, services, materials or equipment in connection with the Project.

- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
- 4. Termination. (a) Convenience Termination. At any time after the Effective Date, the Department may with fifteen (15) days notice to the Company, terminate this Authorization for the convenience of the Department. In the event of such termination, then the Department shall be liable to the Company for: (a) all costs incurred by Company up to the effective date of the termination, (b) the cost of terminating any purchase orders and subcontracts, rental agreements, employment contracts and the like, (c) Company's termination costs, including demobilization, severance pay, and relocation costs, plus (d) ten percent (10%) of the value of the terminated portion of the Authorization for unquantified damages. Company shall turn over to the Department, and shall provide any necessary documentation of transfer of title to, any goods which have been paid for by the Department under the preceding provisions. In no event shall the Department be obliged to pay any more than the Capital Project Price (as the same may have been amended from to time by mutual agreement of the Parties) in the event of a termination under this paragraph.
 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
 - (c) Termination of the Management Agreement. Should the Management Agreement be terminated before completion of the Capital Project, then this Authorization shall remain in effect until completion of the Work, and the applicable terms of the Management Agreement shall continue to apply as though the Management Agreement had not terminated, until the expiration of the warranty period.
- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
- **6. Audit**. Should any invoice submitted by Company contain cost or other quantitative data for Work which has been performed on a Unit Price or T&M basis, then Company shall maintain and retain all supporting documentation and calculations for not less than three (3) years after the completion of the Work or termination of the Management Agreement. The Department shall have the right at any reasonable time during that period and during normal business hours to inspect and audit those records by authorized representatives of its own or any third-party consultant selected by it

Should the audit reveal any discrepancies in the finally invoiced amounts, Company shall refund any overpayments within sixty (60) days of notice thereof, without interest.

7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

8. Entire Agreement. Along with the Management Agreement and the enumerated attachments, this Authorization comprises the entire agreement between the Parties with respect to the Capital Project and the Work. Accordingly, this Authorization supersedes all prior oral or written proposals, communications or other agreements related to the Capital Project, and it may only be changed by a written instrument, signed by authorized representatives of both Parties.

The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY:PRINTED NAME:	BY: PRINTED NAME: CHUCK VOLTZ
EFFECTIVE DATE:	TITLE: VICE PRESIDENT CENTRAL REGION DATE SIGNED:
As to Funding:	As to Legal Form:
CONTROLLER FOR THE CITY OF INDIANAPOLIS	OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel
Date	Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005- 048PROJECT TYPE: Growth

CAPITAL PROJECT TITLE: Geist Groundwater Plant Expansion

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Start: February 1, 2005 Complete: July 31, 2005

WATER DISTRICT:

IW

DESCRIPTION OF WORK:

Expand the existing groundwater treatment plant by 4 MGD to achieve a total treatment capacity of 8 MGD. Construct and equip three production wells. Install a well collection line from the new wells to the plant intake. Install a new distribution line from the plant that ties into the existing distribution system. The additional water and treatment capacity is to increase the supply of water to the northeast section of the water distribution grid.

SCOPE OF WORK:

Construct and equip three production wells (#6-8) with a total estimated well yield of 7.2 MGD. Install well collection line of approximately 100 feet of 30" pipe, 4,800 feet of 20" pipe, 400 feet of 16" pipe, and 4,100 feet of 12" pipe. Install approximately 1,900 feet of 20" distribution main. Install access road to wells. Install two new aerator/reaction tanks with associated valve vault and piping. Install three new 2-cell pressure filters to match existing filters with associated valves and piping. Install two new 125-hp high service pumps with associated valves and piping. Expand existing building including basement to accommodate new filters and pumps. New construction to match existing. Install new sodium hypochlorite, aqua ammonia, and hydrofluorosilic acid storage tanks, pumps, valves and piping necessary to achieve treatment of the additional 4-MGD capacity. Install permanent sodium bisulfite storage and feed system. Install and program new plant control system.

PROJECT COST:

\$3.891.967.00 – Time and Materials

PAYMENT SCHEDULE:

Monthly progress invoices

EXPECTED USEFUL LIFE OF PROJECT:

Capital Project Authorization Number: 2005-170

CAPITAL PROJECT TITLE: Building, Pump Station and Treatment Plant Refurbishments		
CAPITAL PROJECT NUMBER: 2005-170	TYPE OF PROJECT: Infrastructure	DOW Funded Capital Project Bond Funded Capital Project
ESTIMATED START DATE: N/A	ESTIMATED COMPLETION DATE: N/A	1
CAPITAL PROJECT PRICE: \$360,000 Allowance		
ATTACHMENTS: (A) Description of Work; (B); (C);		

THIS AGREEMENT (also called the "Authorization"), is entered into as of the Effective Date indicated below, by and between **CONSOLIDATED CITY OF INDIANAPOLIS, DEPARTMENT OF WATERWORKS** and **VEOLIA WATER INDIANAPOLIS, LLC** (individually a "Party," and collectively the "Parties"),

WITNESS THAT:

- WHEREAS, the Parties have, on March 21, 2002, executed the Management Agreement, which is hereby fully incorporated by reference into this Agreement (NOTE: capitalized terms used in this Agreement shall, unless otherwise specifically stated, be as defined in the Management Agreement), which shall take precedence in the event of any conflict between the terms hereof and those of the Management Agreement; and
- WHEREAS, under the terms of the Management Agreement, the Company may be authorized from time to time by the Department, in exchange for the payment by the Department of a certain valuable consideration, to undertake certain Capital Projects as the Department may deem desirable; and
- WHEREAS, the Company, when so authorized by the Department, is obliged to execute those Capital Projects in a timely, workmanlike, efficient manner, in full compliance with all Applicable Laws and Prudent Industry Practices; and
- WHEREAS, the Parties hereby wish to memorialize their agreement on the particulars of a specific, authorized Capital Project.
- NOW, THEREFORE, in consideration of the premises, covenants, agreements and undertakings hereinafter provided, the Parties hereby agree that:
- 1. <u>The Capital Project.</u> By this Authorization, the Department hereby authorizes and directs the Company to undertake and complete the Capital Project described in Attachment A (hereinafter referred to as the "Work"), and to exert its reasonable best efforts to complete the same by the Estimated Completion Date indicated above
- **Method and Amount of Compensation.** In consideration of the foregoing, the Department shall compensate the Company the Capital Project Price, as the work progresses, in the following manner and amounts:

[] Unit Prices:		
[] Time and Materials:		_
[] Lump Sum:		_
[X] Combination/Other:		
Explanatory Note (if reg.):	As noted on the Supplementary Capital Project Authorization Forms	

PAYMENT: Department shall pay Company on a percentage-of-completion basis as the Work progresses. In no event shall the Department be required to pay for work not yet done.

Company shall submit progress invoices monthly during the course of the Work. Payment will be made by the Department within thirty (30) days of receiving an invoice. Each invoice shall be annotated with the Department's assigned project designation, and shall be in sufficient detail to allow reasonable analysis of the invoice by the Department.

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- 3. Changes. The Department may request changes to the Work at any time prior to completion by a written communication to Company. The Company shall promptly provide the Department with a written acknowledgment of such request. This acknowledgment will include a statement of the price and time impact of the change, as well as a recapitulation of the time, materials, and equipment that would be added or deleted by the change. When the Department and the Company have agreed on the price and time impact, they shall execute a Change Order, incorporating the change into this Authorization. Should the Department and Company not come to an agreement on price and/or time impact, the Department shall be free to employ others to implement the desired change, and Company will provide reasonable accommodations so that the work can be done by others.
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 - (b) Default. In the event the Company substantially fails to execute the Work as required by this Authorization, despite notice and a reasonable opportunity to cure, then the Department may, with fifteen (15) days notice, terminate the remainder of the Authorization for Company default. In the event of such termination by the Department, then the Department may demand that Company leave the Site, and it may thereupon take whatever reasonable and prudent means are necessary to have the Work completed by others, charging the excess cost thereof to the Company's account.
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- Warranty of Equipment, Materials, and Services. Company warrants that the equipment, goods, and services provided to the Department under this Authorization shall be free from defects in design, process, material, and workmanship. Should any aspect of the Work prove defective within one year after completion of the Work, the Company shall promptly repair or replace the defective element, without cost to the Department. All manufacturers' warranties, to the extent practicable, shall be made assignable to the Department, and shall be enforced to the benefit of the Department, as appropriate.
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7. Environmental Impacts. Company agrees to notify the Department as soon as possible should it discover any hazardous material during the course of Company's activities or its subcontractors' activities in carrying out the Work. For the purpose of this clause, "hazardous material" means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act and "hazardous waste" as defined under the Resource Conservation and Recovery Act. If such contamination poses an immediate risk to human health or safety, or to the environment, Company shall immediately take all appropriate measures that in Company's professional opinion are justified to preserve and protect human health or safety, and the environment. Except for contamination caused by Company's willful or negligent conduct, the Department shall, on a "Change Order" basis, reimburse Company for all of Company's costs related to any measures taken to address immediate risks that threaten human health, human safety and the environment.

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The Department: Consolidated City of Indianapolis, Department of Waterworks	The Company: VEOLIA WATER INDIANAPOLIS, LLC
BY:	PRINTED NAME: CHUCK VOLTZ TITLE: VICE PRESIDENT CENTRAL REGION
As to Funding : CONTROLLER FOR THE CITY OF INDIANAPOLIS	As to Legal Form : OFFICE OF CORPORATION COUNSEL
Robert J. Clifford, Controller	Andrew I. Klineman, General Counsel Date

DESCRIPTION OF WORK

CAPITAL PROJECT #: 2005-170 PROJECT TYPE: Infrastructure

CAPITAL PROJECT TITLE: Building, Pump Station and Treatment Plant Refurbishments

TASK ORDER ISSUED TO:

Veolia Water Indianapolis, LLC

PERIOD OF PERFORMANCE:

Ongoing

WATER DISTRICT:

Project Specific

DESCRIPTION OF WORK:

Improvements for and refurbishment of buildings, pump stations, treatment plants and related facilities.

SCOPE OF WORK:

Design and construct improvements for and refurbishment of buildings, pump stations, treatment plants and related facilities. Specific projects will be submitted with the Supplementary Capital Project Authorization form.

PROJECT COST:

\$360,000 – approved limit for 2005.

PAYMENT SCHEDULE:

As noted on the Supplementary Capital Project Authorization form.

EXPECTED USEFUL LIFE OF PROJECT:

As noted on the Supplementary Capital Project Authorization form.